

## Internal Revenue Service, Treasury

## § 49.4251-1

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AUTHORITY: 26 U.S.C. 7805.  
Section 49.4251-4 also issued under 26 U.S.C. 4251(d).

## Subpart A—Introduction

SOURCE: T.D. 6430, 24 FR 9664, Dec. 3, 1959, unless otherwise noted.

### § 49.0-1 Introduction.

The regulations in this part 49 are designated “Facilities and Services Excise Taxes.” The regulations relate to the taxes on communications and transportation by air imposed by chapter 33 of the Internal Revenue Code. See part 40 of this chapter for regulations relating to returns, payments, and deposits of taxes imposed by chapter 33.

[T.D. 8448, 57 FR 48186, Oct. 22, 1992]

### § 49.0-2 General definitions and use of terms.

As used in the regulations in this part, unless otherwise expressly indicated:

(a) The terms defined in the provisions of law contained in the regulations in this part shall have the meanings so assigned to them.

(b) The Internal Revenue Code of 1954 means the Act approved August 16, 1954 (68A Stat.), entitled “An Act to revise

the internal revenue laws of the United States”, as amended.

(c) District director means district director of internal revenue. The term also includes the Director of International Operations in all cases where the authority to perform the functions which may be performed by a district director has been delegated to the Director of International Operations.

(d) Calendar quarter means a period of 3 calendar months ending on March 31, June 30, September 30, or December 31.

## Subpart B [Reserved]

## Subpart C—Communications

SOURCE: T.D. 6664, 28 FR 7252, July 16, 1963, unless otherwise noted.

### § 49.4251-1 Imposition of tax.

(a) *In general.* Section 4251 imposes a tax on amounts paid for general telephone service; toll telephone service; telegraph service; teletypewriter exchange service; wire mileage service; and wire and equipment service. See § 49.4251-2 for rate and application of tax.

(b) *Termination of tax on general telephone service.* (1) Except as otherwise provided in subparagraph (2) of this paragraph, no tax is imposed on amounts paid on or after July 1, 1965, for general telephone service rendered on or after such date.

(2) In the case of amounts paid pursuant to bills rendered on or after July 1, 1965, for general telephone service for which no previous bill was rendered, no tax is imposed on that portion of the amount paid pursuant to such bill or bills as is attributable to general telephone service rendered subsequent to April 30, 1965. However, the tax applies to that portion of the amount paid pursuant to any such bill or bills as is attributable to general telephone service rendered prior to May 1, 1965. The tax also applies to amounts paid for general telephone service pursuant to bills rendered before July 1, 1965, without

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regard to when the payment is made or the service is rendered.

[T.D. 6664, 28 FR 7252, July 16, 1963, as amended by T.D. 6694, 28 FR 12929, Dec. 5, 1963; T.D. 6753; 29 FR 12718, Sept. 9, 1964]

### § 49.4251-2 Rate and application of tax.

(a) *Rate of tax.* Tax is imposed on amounts paid for each of the following services rendered at the rate specified below:

Taxable service	Rate of tax (percent)
General telephone service .....	10
Toll telephone service .....	10
Telegraph service .....	10
Teletypewriter exchange service .....	10
Wire mileage service .....	10
Wire and equipment service .....	8

(b) *Amounts paid.* The term “amounts paid” means the amounts collected for the communication services specified in paragraph (a) of this section, without regard to whether the charge therefor is paid or satisfied in money, service, or other valuable consideration. For additional provisions relating to the term “amounts paid” see the section of the regulations relating to the particular taxable service listed in paragraph (a) of this section.

(c) *Liability for, and return of, tax.* The taxes imposed by section 4251 are payable by the person paying for the services rendered, and must be paid to the person rendering the services who is required to collect the tax and return and pay over the tax.

[T.D. 6664, 28 FR 7252, July 16, 1963, as amended by T.D. 8442, 57 FR 48186, Oct. 22, 1992]

### § 49.4251-3 Applicability of sections 4251 to 4254, inclusive.

Except as otherwise provided in this section, the applicability of sections 4251 to 4254, inclusive, as amended and in effect on January 1, 1959, and the regulations in this subpart extends only to amounts paid on or after January 1, 1959, for services rendered on or after such date. In the case of amounts paid pursuant to bills rendered on or after January 1, 1959, for services for which no previous bill was rendered, the sections of law and regulations referred to in the preceding sentence are applicable in respect of that portion of the amount paid pursuant to such bill

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or bills as is attributable to services rendered subsequent to October 31, 1958. For regulations applicable with respect to amounts paid for services rendered prior to November 1, 1958, and amounts paid for services rendered after October 31, 1958, for which a bill was rendered prior to January 1, 1959, see Part 42 of this chapter. See also §§ 49.0-3 and 49.0-4, relating to the scope of the regulations and the extent to which prior regulations are superseded.

### § 49.4251-4 Prepaid telephone cards.

(a) *In general.* In the case of communications services acquired by means of a prepaid telephone card (PTC), the face amount of the PTC is treated as an amount paid for communications services and that amount is treated as paid when the PTC is transferred by any carrier to any person that is not a carrier. This section provides rules for the application of the section 4251 tax to PTCs.

(b) *Definitions.* The following definitions apply to this section:

*Carrier* means a telecommunications carrier as defined in 47 U.S.C. 153.

*Comparable PTC* means a currently available dollar card or tariffed unit card (other than a PTC transferred in bulk or under special circumstances, such as for promotional purposes) that provides the same type and amount of communications services as the PTC to which it is being compared.

*Dollar card* means a PTC the value of which is designated by the carrier in dollars (even if also designated in units of service), provided that the designated value is not less than the amount for which the PTC is expected to be sold to a holder.

*Holder* means a person that purchases other than for resale.

*Prepaid telephone card (PTC)* means a card or similar arrangement that permits its holder to obtain a fixed amount of communications services by means of a code (such as a personal identification number (PIN)) or other access device provided by the carrier and to pay for those services in advance.

*Tariff* means a schedule of rates and regulations filed by a carrier with the Federal Communications Commission.